injunctions or any order, to transfer the recovery certificate from one DRT to another to facilitate easy recovery, to distribute the sale proceedings among the secure creditors on the basis of priorities *inter-se*, etc.

Action has also been initiated to tighten legislative provision regarding foreclosures and enforcement of securities in cases of default, in order to enable the banks and financial institutions to realize their dues. Credit Information Bureau has also been set up to disseminate information on borrowers to the banks.

New guidelines for NBFCs

2538. SHRI P. PRABHAKAR REDDY:
SHRI KARNENDU BHATTACHARJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has recently issued new guidelines for the Non-Banking Financial Companies;

(b) if so, the details thereof and the reasons therefor;

(c) whether these guidelines would govern the Residuary Non- Banking companies also; and

(d) if so, the details of the regulatory framework which has been put in place to implement these guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Reserve Bank of India (RBI) has put in place a comprehensive regulatory and supervisory framework aimed at protecting the interests of depositors and ensuring that the NBFCs function on sound and healthy lines. Recently, RBI issued the Asset-Liability Management (ALM) Guidelines for Non-Banking Financial Companies as a part of the overall system for effective risk management in their various portfolios. As per the guidelines, NBFCs, which have asset size of Rs. 100.00 crore and above or public deposits of Rs. 20.00 crore and above as per their balance sheet as on 31.3.2001, should put in place an ALM system which is required to be implemented by the year ending 31.3.2002. The NBFCs have been advised that it would be desirable to constitute an Asset Liability Management Committee under the charge of Chief Executive Officer or other Senior Executive with specialist members for carrying out the spadework for formalising ALM system in the institution.

(c) The Asset Liability Management Guidelines are applicable to the Residuary Non-Banking Companies also which fulfil the conditions of asset size of Rs. 100.00 crore and above or public deposits of Rs. 20.00 crore and above as per their balance sheet as on 31.3.2001.

(d) A new regulatory framework has been announced in January, 1998 to ensure that only well run NBFCs are allowed to access public deposits. The Reserve Bank of India has been taking various regulatory and supervisory measures to ensure a healthy growth of NBFC sector as also to provide safety to the depositors' money. For overseeing the implementation of the provisions of the Reserve Bank of India Act, 1934 and the directions and instructions issued by RBI thereunder, RBI has put in place a strong Regulatory Framework. This includes subjecting the NBFCs to the scrutiny of their applications to determine their eligibility as per the criteria enunciated in the RBI Act for issue of a Certificate of Registration, on-site inspections for ascertaining the level and quality of adherence by the entities inspected to the regulatory norms prescribed by RBI in relation to deposit taking activities, quality of assets, capital adequacy, etc., off-site surveillance and market intelligence system. The Statutory Auditors of NBFCs have also been assigned a particular role to report directly to the bank the irregularities, if any, noticed by them in the working of an NBFC. Moreover, Chapter III-B, III-C and V of the RBI Act were amended in 1997, vesting considerable powers with the RBI for effective supervision over Non-Banking Financial Companies to ensure that they integrate their functioning with the Indian financial system.

Duty drawback rates on leather exports

2539. SHRI S. RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether the leather exporters have urged that the new duty drawback rates notified recently be deferred to prevent adverse impact on export; and

(b) if so, what is Government's reaction to their demand?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Subsequent to the announcement of the All Industry Rates of Drawback on 1.6.2001 *vide* Notification No. 29/2001-Cus. (N.T.), the Council for Leather Exports on behalf of the leather exporters had represented against the inadequacy of All Industry Rates of Drawback for leather